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Trusts, Pools and Combinations, as affecting Commerce and Industry. By J. STEPHEN JEANS, M.R.F., F.S.S. London, Methuen & Co., 1894.

It is gratifying to notice the recent attempts to consider the problem of industrial combinations from a broader standpoint. It is coming to be generally recognized that trusts, pools, combinations and coalitions are manifestations of the same fundamental development, that they differ only in intensity, not in principle, and that they are products of natural causes, not arbitrary inventions of rapacious monopolists.

Mr. Jeans has gathered a number of facts about some of the most notable combinations of the day. In his prefatory note he states that "he does not consider himself called upon to pronounce very definite approval or condemnation of the trust-system generally"; he wants "to state what he knows about them without conscious partiality or prejudice."

It does not appear that this method has produced very good results. The author writes under the decided influence of the old orthodox school, although he wants to rid himself of its teachings to a certain extent. He cannot draw conclusions, or even group facts, without a relapse into the old methods. He is apparently a free-trader, an enemy of all state interference, and a believer in the law of automatic regulation of supply and demand under a system of free competition. He recognizes that combinations are to-day unavoidable, but he apparently would like to have them restricted as much as possible; and though opposed to state interference, he would hardly object to legislation in this direction if it could be made effective. Therefore he devotes the last chapter to a statement of the evils of the trust system, but none to a fair record of its advantages. It may be questioned whether this is consistent with his professions of impartiality.

Still more serious objections might be raised against the work. I do not feel satisfied that he has been able fully to master the actual meaning of the problem, either theoretically or historically. The "corner," *e.g.*, is something fundamentally different from the pool or trust, as it is devoted only to speculative purposes. So it was restricted by mediæval legislation, as was all speculation. The trusts, on the other hand, aim at a regulation and organization of production, and correspond in a certain way to the mediæval guilds, which were recognized and regulated by law. This Mr. Jeans does not point

out. Moreover, he gives a discussion of futures, or options, which have actually nothing to do with the general movement, except in so far as they are occasionally made use of for cornering purposes; the economic significance of the dealing in futures lies in a totally different direction.

As to the historical treatment, the author's information has apparently been insufficient. The remarks about olden times, quotations from McPherson, *etc.*, are probably only intended to give a little scientific veneering to the essay; a thorough discussion of the problem would require a far wider knowledge of historical facts, and the citation of more appropriate examples. It is not true that "the common-law or the statutes took the part of the seller against the buyer" (page 11); he quotes this from Bastiat, but Bastiat was talking about France. What Mr. Jeans means by drawing a parallel between the Standard Oil Trust and the Hanseatic League (page 96) is hard to understand. Their principal aims and their organizations were so entirely different that the comparison rather obscures the problem. Not to mention numerous errors as to facts (the Standard Oil Trust was dissolved in 1892, not in 1890; the Reading combination originally gave a very strong and favorable movement to the securities of the companies concerned, and it collapsed afterwards for other reasons, which are not mentioned at all, *etc.*, *etc.*), his information often seems to be derived from very unreliable newspapers, while he seems unacquainted with the very important publications on trusts by W. W. Cook. The position of the workingmen as producers, or better, as parts of the machinery of production, does not seem to be sufficiently discussed. What justifies the suggestion (on page 185) that since 1888 there have been troubles between the trusts and their employees? The history of the crisis of 1893 points in just the opposite direction.

These are only a very few of the objections which are called forth by almost every page. More valuable are some of the chapters on English affairs, like that on the Australian Shipping Pool in London.

The book may be welcomed as an attempt to discuss the question, but it is to be hoped that in a second edition it will be radically changed. In its present shape it does not add much to scientific knowledge, and a popular book, which it is probably intended to be, ought to be written with more care, perhaps, than a scientific essay, and certainly only after a far more complete mastery of the subject.

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